



ROBERT J. CLEMENTS
Chairman

TOWN OF ELLINGTON

55 MAIN STREET • P.O. BOX 187
ELLINGTON, CONNECTICUT 06029-0187

BOARD OF FINANCE

BUDGET DELIBERATIONS THURSDAY, APRIL 24, 2008

RICHARD J. CLEARY
MARK A. JOYSE
BARRY C. PINTO
MICHAEL D. VARNEY
JOSEPH E. WEHR

Board of Finance Members: R. Clements-Chmn, R. Cleary, M. Joyse, B. Pinto, D. Varney, J. Wehr

Others Present: N. DiCorleto-Fin Officer; M. Stupinski-First Sel; Selectmen L. Burstein, L. Miller, J. Turner; M. Contakis, P. Potamianos-Budget Advisory; S. Cullinan-Supt. of Schools; D. Roberson-Chmn BOE; M. Blanchette-BOE; A. Lawrence-Fire Marshal; P. Michaud-DPW Dir; Y. Cantor-Human Svcs; J. Gage-Cons. Comm.; P. Hany-Pres EVAC; D. Varney-EVFD

Chairman Robert Clements opened the meeting at 7:40 pm. He started with an opening statement (attached). He then passed out a table consisting of the additional revenues from April 22 meeting and expense reductions/additions which included several additional items that he, the Finance Officer and First Selectman had discussed. The Fire Marshal's account had an add back of \$15,000 to accommodate additional man hours for inspections, the addition of the \$5,800 was added into capital improvements fund for the intersection preemptive system, there was a reduction of \$85,000 to the Board of Education. The TH Emergency Power System, Annex Fireproof Vault, and Old CL Schoolhouse Renovation were taken out of capital improvements and included on the list for bonding. This would bring the increase in taxes to zero.

Mr. Clements explained their reasoning for the Open Space reduction. The town is proposing to go to vote on a bond issue for \$2,000,000 for open space as it did for Farmland Preservation. Mr. Miller asked about the \$130,325 funds that the town expended from the funds received by the State for the purchase on Porter Rd. Mr. Clements read into the record an opinion from the Town Attorney on this matter stating that he feels the town did the correct thing with the funds. A copy of the memo from Attorney Ryan is attached. Mr. Miller then asked what the town would do if the Open Space referendum did not pass. Mr. Clements felt that the issue is expected to be widely received like the Farmland Preservation issue which was passed overwhelmingly. On the bonding issue, Mr. Miller wanted to know what the bonding costs would be and Mr. DiCorleto had no idea.

Mr. Joyse felt that there were items in this budget that were not needed and felt that Open Space funding should put back in the budget. Mr. Wehr had questioned the undesignated fund balance of \$1,867,765 and asked if this money would be available next year? The budget items keep multiplying each year and what if the money is not available. Mr. Clements stated that the revenues via the grand list rise steadily and each budget is

planned on its own merit. The Finance Officer projects what will be needed at the end of the year and uses the remainder to offset the budgets for the next year.

The Town Hall Addition was explained and Mr. Clements stated that the State of CT will be requiring that the Town Clerk have more vault space. If they take the Assessor's vault space, the Assessors will have to use part of their office for vault space. They need more office space for this. The addition also includes a new lobby in the rear of the building. There was discussion that this has been on the capital improvements list since 2003.

MOTION (JOYSE) SECONDED (PINTO) TO ACCEPT THE REVENUES AND REDUCTIONS/ADDITIONS AS PRESENTED.

AYES: PINTO, CLEMENTS, CLEARY

NAYS: JOYSE, VARNEY, WEHR

The Chairman then asked the Board members for their suggested reductions.

Mr. Varney stated that the Crystal Lake FD should have a reduction of \$2,000 to reflect the Ambulance Corps funding of items in account 320-761.

Mr. Joyse asked the DPW Director if the winter account could be cut back to \$200,000. Mr. Michaud stated that next year they will be using 75% salt to 25% sand and salt is more expensive than sand. Mr. Joyse asked about the WPCA Maintenance budget, and Mr. Michaud told him that this budget is paid through the WPCA proceeds.

Mr. Miller stated that the 950 Insurance Account could be cut back \$100,000.

Mr. Cleary felt that the 610 salary adjustments for library employees could be phased in over two years with a \$15,000 reduction this year in the 101 account. He also asked the Superintendent of Schools about the Dean of Students position at the High School. Mr. Cullinan stated that he is trying to do this the least expensive way possible. He will be taking a teacher, reducing his teaching schedule and adding the duties of Dean of Students to replace that time. The money would be used to replace the teaching of the classes left vacant by the teacher assuming the additional administrative duties.

Then the projects to be bonded were discussed. Mr. DiCorelto stated that debt management is replacing old debt with new projects and Mr. Clements stated that the town would never be debt free.

Mr. Joyse then asked if a motion was needed to add back the TH Emergency Power, the Renovation to the Old Crystal Lake Schoolhouse and the Annex Fireproof Vault into the Capital Non-Recurring Fund. He still feels that the EVFD Aerial Pumper Replacement should be funded through a lease/purchase.

It was decided that the Finance Officer would take all the reductions and move the three items into the capital improvements budget to see what the bottom line would be at this time. Then the Board can vote on each item separately.

Mr. Joyse then asked the Superintendent of Schools if an administrative cut of \$150,000 could be made. Mr. Cullinan stated that there is great need for additional administrative staffing at Windermere School with Mr. Milbury's retirement. He also stated that the BOE budget will be over budget for heating oil before the year begins and he also pointed out that the town received a \$1.25 million increase in the ECS grant.

Motions for the revenues and reductions/additions to the 2008-09 budget:

MOTION (VARNEY) SECONDED (PINTO) AND PASSED UNANIMOUSLY TO RECOGNIZE REVENUE INCREASES TOTALING \$402,775 AS LISTED FOR FY 08-09. CRRA CLASS ACTION \$242,969; CRYSTAL LAKE STORMCEPTORS \$11,000; DOT-SPEED ENFORCEMENT \$10,703; SOCIAL SERVICES-AGING \$8,450; TOWN CLERK CONVEYANCE FEE \$106,653 AND MARSHAL CHARTER FUND \$23,000.

MOTION (VARNEY) SECONDED (JOYSE) AND PASSED UNANIMOUSLY TO REDUCE THE CLFD ACCOUNT 320-761 IN THE AMOUNT OF \$2,000.

MOTION (VARNEY) SECONDED (JOYSE) AND PASSED UNANIMOUSLY TO INCREASE THE POLICE BUDGET \$10,703 DUE TO GRANTS.

MOTION (VARNEY) SECONDED (JOYSE) AND PASSED UNANIMOUSLY TO INCREASE THE FIRE MARSHAL ACCOUNT \$15,000.

MOTION (VARNEY) SECONDED (CLEARY) AND PASSED UNANIMOUSLY TO REDUCE THE SANITARY LANDFILL TIP FEE BY \$22,424.

MOTION (CLEARY) SECONDED (JOYSE) AND DEFEATED TO REDUCE THE HALL MEMORIAL LIBRARY BY \$15,000.

AYES: CLEARY, JOYSE

NAYS: CLEMENTS, PINTO, VARNEY, WEHR

MOTION (CLEARY) SECONDED (VARNEY) AND PASSED UNANIMOUSLY TO ADD \$3,450 TO THE SENIOR CENTER SECRETARY POSITION.

MOTION (JOYSE) SECONDED (CLEARY) AND PASSED UNANIMOUSLY TO REDUCE THE INSURANCE 950-5151 ACCOUNT BY \$100,000.

MOTION (JOYSE) SECONDED (CLEARY) AND DEFEATED TO ADD BACK \$35,460 TO CAPITAL NON RECURRING (NET OF REDUCTIONS AND ADD BACKS).

AYES: JOYSE

NAYS: CLEMENTS, CLEARY, PINTO, VARNEY, WEHR

MOTION (CLEARY) SECONDED (PINTO) AND PASSED TO REDUCE THE BOARD OF EDUCATION BUDGET BY \$85,000. WEHR ABSTAINED.

MOTION (VARNEY) SECONDED (CLEARY) AND PASSED UNANIMOUSLY TO FUND THE FOLLOWING CAPITAL NON-RECURRING FUND ITEMS: UNIMPROVED ROAD IMPROVEMENTS \$200,000; LOCIP \$102,899; ROAD OVERLAY \$371,176; CL STORMCEPTORS \$43,100; CULVERT REPLACEMENTS \$87,000; TOWNWIDE SIDEWALKS \$60,000; TH EXTERIOR REPAINTING \$23,000; DPW NEW TORO MOWER \$77,500; GIRLS SOFTBALL \$26,000; EVAC DEFIBRILLATORS \$20,000; EMERGENCY SERVICES- INTERSECTION PREEMPTION SYSTEM \$55,800; WINDERMERE BOILER DUAL/BURNER REPL. \$132,500; EMS REPLACEMENT DUAL OIL BURNERS \$81,900.

MOTION (JOYSE) SECONDED (CLEARY) AND DEFEATED UNANIMOUSLY TO FUND THE EMERGENCY POWER SYSTEM \$44,000; OLD CRYSTAL LAKE SCHOOLHOUSE RENOVATION \$140,000 AND TOWN HALL ANNEX FIREPROOF VAULT \$95,660 THROUGH CAPITAL IMPROVEMENTS FUND.

MOTION (JOYSE) SECONDED (WEHR) AND DEFEATED TO FUND OPEN SPACE FUND \$250,000 IN CAPITAL IMPROVEMENTS FUND. VARNEY ABSTAINED.

AYES: JOYSE, WEHR

NAYS: CLEMENTS, PINTO, CLEARY

The result of these motions puts the mill rate at 24.4 mills to fund this budget.

The Chairman then called a recess at 10:10 pm to prepare the final motions.
The chairman reconvened the meeting at 10:35 pm.

The Finance Officer told the Board that the items to be funded through bonding would be drawn up by the Board of Selectmen and come to the Board of Finance and Town Meeting to be voted on separately.

Approval of Fiscal Year Budget 2008-09

MOVED (CLEARY) SECONDED (JOYSE) AND PASSED THAT THE SUM OF MONEY RECOMMENDED FOR FISCAL YEAR 2008-09 IS \$44,356,515. ALL EDUCATION COST SHARING GRANTS (ECS) ARE DEEMED TO BE APPROPRIATED TO THE BOARD OF EDUCATION.

TO RECOMMEND TO THE ANNUAL BUDGET MEETING THE FOLLOWING ITEMS:

GENERAL GOVERNMENT	\$ 11,394,670
REDEMPTION OF DEBT	3,055,039
CONTINGENCY FUND	150,000
BOARD OF EDUCATION	28,475,931
CAPITAL NON-RECURRING FUND	<u>1,280,875</u>
	\$ 44,356,515

MOVED (CLEARY) SECONDED (VARNEY) AND PASSED TO RECOMMEND TO A TOWN MEETING AN APPROPRIATION OF \$1,280,875 FOR FISCAL YEAR 2008-09 FOR THE CAPITAL NON-RECURRING FUND, SAID APPROPRIATION TO FUND THE FOLLOWING PROJECTS:

UNIMPROVED ROAD IMPROVEMENT	200,000
LOCAL CAPITAL IMPROVEMENT PROGRAM	102,899
ROAD OVERLAY	371,176
CRYSTAL LAKE STORMCEPTORS	43,100
CULVERT REPLACEMENTS	87,000
TOWNWIDE SIDEWALKS	60,000
TOWN HALL-EXTERIOR REPAINTING	23,000
DPW-NEW TORO MOWER	77,500
GIRL'S SOFTBALL	26,000
EVAC-DEFIBRILLATORS/CPR EQUIPMENT	20,000
EMERGENCY SVS-INTERSECTION PREEMPT SYSTEM	55,800
BOE-WINDERMERE BOILER(DUAL)/BURNER REPLMT	132,500
BOE-EMS REPLACEMENT DUAL OIL BURNERS	<u>81,900</u>
	\$1,280,875

LESS FEDERAL/STATE/TRUST FUNDS	
STATE GRANT LOCIP	102,899
STATE GRANT CRYSTAL LAKE STORMCEPTORS	11,000
GIRLS SOFTBALL	26,000
MARSHALL CHARTER FUND	23,000
AMBULANCE FEE PROGRAM	<u>20,000</u>
	182,899

NET COST TO TOWN \$1,097,976

MOVED (CLEARY) SECONDED (JOYSE) AND PASSED TO ACCEPT BOARD OF EDUCATION GRANTS AS APPROVED BY THE BOARD OF EDUCATION AT THEIR MARCH 26, 2008 MEETING IN AN AMOUNT NOT TO EXCEED \$760,300 (SEE ATTACHED SHEET).

Adjournment

MOTION (JOYSE) SECONDED (CLEARY) AND PASSED TO ADJOURN THE DELIBERATIONS AT 10:45.

Submitted by


Lori Smith, Clerk

April 24, 2008

When I left the Board of Finance meeting Tuesday night I began to review, in my mind, what had transpired and came to the conclusion that in an honest effort to arrive at a consensus on the capital improvements issues before the board, we picked apart the list of projects, item by item, and I believe, totally overlooked the big picture and seriously hindered what our mission entails.

We started with a list of revenue enhancements and budget cuts which would have rendered us 1/10 of a mill budget increase to work on to achieve a zero increase budget to present to the voters of Ellington. Instead, by eliminating certain important and necessary projects and re-injecting \$250,000 back into the "open space" fund we ended up actually increasing our budget deficit to 5/10 of a mill..

My stated goal and I believe the mission of the members of the Bd of Finance is not to reorder the priorities of the rest of the town's departments and boards, but to establish whether the revenues coming in are capable of meeting the expenditure requests of the various departments and if not, to figure out the best way to minimize the impact of these budget requests on the taxpayers. Our job is to find reasonable ways to accomplish the funding of the necessary needs of the town's government, now and into the future.

Obviously, we should eliminate any frivolous or wasteful projects or put off to another time those items which we simply cannot afford at this time. None of the projects we eliminated meet that criteria.

By eliminating the town hall expansion project, and the dog pound upgrade, we left our list of Capital improvements too small to

warrant bonding for the projects remaining, and left to another day meeting the needs of the assessors office and the state mandated dog pound. Our only recourse was to move the remaining projects to the Capital non-recurring fund which, instead of resulting in budget cuts, gave us a budget increase of about 4/10 of a mill. We were going backwards and putting off to another day the issues of restoring the assessors office to a size it needs to function properly. Because of the need for more vault space by the Town Clerk's office, the assessors office, under the scenario we have arrived at, will effectively be cut in half. The Clerk's expansion will take away from the Assessors space.

In our discussion of the Ambulance Building's expansion, all agreed that if a project were to be undertaken eventually, the best time to do it would be during stressful economic times since we would have a better chance at securing lower bids for the project. If that argument holds true for the Ambulance Building expansion, why doesn't the same logic hold true for the other building projects which we eliminated. In fact, it makes even more sense to do these other projects now, not only because of lower bids, but because current interest rates are lower now than they are likely to be in the foreseeable future. By doing these projects now, and putting them all together in a bond issue, with the ladder truck, we can meet the needs of the town and still reach a zero increase budget without needlessly gutting any other department's budget. Cuts for the sake of cuts makes no sense at all. In fact, the towns around us will be envious that we can do all this and still not impose a tax increase.

We are fortunate that we have debt service reducing substantially over the next five years and the time could not be better to accomplish the current needs of town hall.

The Finance officer, the first Selectman and I have put together a plan which will get us to zero tax increase and simultaneously meet the needs of the Town.

Robert J. Clements, Chairman



Ellington Public Schools

"Where Children Come First"

Stephen C. Cullinan
Superintendent of Schools

March 31, 2008

Nancy E. Daley
Administrative Assistant

Bruce E. Brettschneider
Director of Special Services

Erin K. McGurk, Ed.D.
Director of Educational Services

Anthony P. Littizzio
Director of Business Services

Mr. Michael Stupinski
First Selectman
Town of Ellington
55 Main Street
Ellington, CT 06029

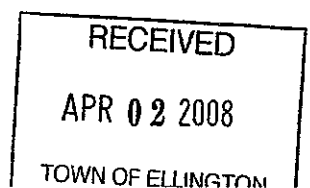
Dear Mr. Stupinski:

The Board of Education, at its regular meeting on March 26, 2008, unanimously approved the following motion:

"To recommend to the Annual Town Budget Meeting acceptance of prepaid grants and funds fully reimbursable for the fiscal year commencing on July 1, 2008 and ending June 30, 2009, and to appropriate the same to the Board of Education in a sum estimated at \$760,300 of which the individual grants are estimated to be as follows:

2008-2009

<u>GRANT</u>	<u>ESTIMATE</u>
Title I - Part A: Improving Basic Programs Funds are targeted to improve achievement in reading and mathematics with grant entitlements based on family income indicators.	\$ 140,000
Title II: Part A: Teacher and Principal Training and Recruiting Supports increased student achievement by improving teacher and administrator quality and increasing the number of highly qualified teachers.	\$ 50,000
Title II: Part D: Enhancing Education Through Technology Supports effective use of technology to improve student learning.	\$ 600



Title IV: Safe and Drug Free Schools and Communities Act \$ 5,500
Funds are targeted to support programs that prevent violence and foster a safe and drug-free learning environment.

Title V: Innovative Programs \$ 3,500
Supports innovative and effective educational practices.

IDEA - Part B: Section 611 Special Education Entitlement \$ 348,700
Individuals with Disabilities Education Act
Designed to provide funds for the education of disabled children.

IDEA - Part B: Section 619 A Preschool Entitlement \$ 12,000
Designed to provide funds for the education of disabled children ages three to five.

Other federal and state prepaid grants which might be applied for. \$ 200,000

TOTAL \$ 760,300

Sincerely,



Stephen C. Cullinan
Superintendent of Schools

SCC:ned

cc: Nicholas DiCorleto

WILLIAM G. REVELEY & ASSOCIATES, LLC

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April 4, 2008

Michael P. Stupinski, First Selectman
TOWN OF ELLINGTON
P.O. Box 187
Ellington, CT 06029

VIA EMAIL

RE: Open Space Funds

Dear Mike:

I acknowledge receipt of your fax dated March 31, 2008 by which you transmitted to me the agreement with DEP signed in July 2006. In a prior telephone conversation with you and Nick you asked me to opine as to the correct allocation of the sales proceeds received from the State in connection with the sale of the various parcels on Porter Road. I did meet with Nick on April 2nd to review the history of this transaction with him so as to better understand the issues.

It appears to me the following facts pertain to this issue.

- Prior to May 2000 then-planner Joe Baker applied for a State grant to be used for the purchase of open space. He and the Town were advised prior to the budget season of May 2000 that the State had approved a grant in the amount of \$130,325.00. In the fiscal year 2000-2001 budget Mr. Baker persuaded the various boards to include within the capital and non-recurring fund an appropriation of \$289,612.00 for purchase of open space with anticipated revenue of \$130,325.00 to come from the Open Space Grant. Based upon that appropriation approved by the Town and incorporated in the 2000-2001 budget efforts were made successfully to acquire the various parcels ultimately owned by the Town and sold to the State. The difference between the

appropriated \$289,612.00 and the ultimate selling price to the State was not profit but rather additional expenses incurred in acquiring the property for surveys, title insurance and legal fees. The \$130,325.00 grant was never funded by the State. Prior to funding additional negotiations were carried out between the Town and the State whereby the agreement was made that the State would purchase all of the properties for the total amount expended by the Town in the amount of \$303,000.00. The agreement signed by you with DEP provided in paragraph 7 "The seller will use the money received for said property to acquire additional land that will be dedicated for open space..."

- The issue then is whether the entire proceeds from the land sale must be allocated to the Open Space Fund or whether it is appropriate to reimburse the general fund \$130,325.00 and deposit the balance in the open space fund.
- When the 2000-2001 fiscal year budget was approved, the budget document clearly reflected that the Board of Selectmen, Board of Finance and Town Meeting had anticipated that the Ellington taxpayers would pay \$159,287.00 for open space acquisitions and the State would pay \$130,325.00 through the anticipated State grant. When the purchases were made, the State grant had not been received and the general fund was required to provide not only the amount the approved budget committed for the Ellington taxpayers but also was required to fund the amount anticipated to be received from the State. In effect, the Town borrowed \$130,325.00 from itself in order to fund those purchases. That money was not raised by Ellington taxes and in effect the general fund has been short that amount of money ever since. This is not at all uncommon in that most grants from the State and federal government reimburse the Town for expenses already made. It was, therefore, entirely appropriate cash management to accomplish the purchases in that manner.

It is, therefore, my opinion that it is entirely appropriate to reimburse the general fund from the proceeds of the sale the loan or account receivable in the amount of \$130,325.00. The balance should be deposited in the Open Space Fund pursuant to the July 2006 agreement. This handling is not inconsistent with the 2006 agreement as it is always necessary in connection with determining the amount of sales proceeds to reduce the selling price by the amount of any encumbrance attached to that property. While there may not have been a recorded mortgage, an act entirely unnecessary when the Town was both the owner and the lender, the financial records of the Town

constitute that same obligation. The words "money received" in the 2006 agreement have to be the equivalent of "net proceeds".

If we were to take the opposite view that the entire proceeds had to be segregated into the Open Space Fund, the then Finance Officer would be required to eliminate the account receivable that he has been carrying on the books since the 2000-2001 fiscal year which would immediately reduce the amount available in the general fund's surplus to off-set taxes in the current fiscal year or the budget year forthcoming. That would require immediate impact on the taxes to be levied next. At such future time as the Town identifies additional property to be acquired utilizing the Open Space Fund, the same approval process is required to expend funds from the Open Space Fund. The only difference is that the taxpayers may have to be convinced that additional tax dollars are appropriate rather than utilizing funds already set aside in this special fund.

Not only is an immediate repayment of the general fund account receivable appropriate within the 2006 agreement and the history of these transactions, it is the more accurate and transparent cash management procedure that gives effect to each vote of the boards and town meetings.

Very truly yours,

ATHERTON B. RYAN
TOWN ATTORNEY

ABR:mg

cc: Nicholas J. DiCorleto, Finance Officer (via email)